

DEPARTMENTAL BUDGET INFORMATION

BUDGET DEPARTMENT (12)

STATEMENT OF PURPOSE

The Budget Department will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

The Budget Department analyzes and monitors all necessary financial planning information and makes recommendations so that the City Administration can efficiently deliver quality services to improve public safety, accelerate economic development and maintain structural balance of City finances by bringing costs in line with revenue.

DESCRIPTION

The Budget Department is primarily responsible for the preparation of the annual operating and capital improvement budgets; and the biennial five-year capital agenda. Critical functions are monitoring City revenues and expenditures throughout the fiscal year; relating financial activity to the plan expressed by the budget; and to the long-term strategic direction set for the City. Development, implementation, and coordination of management information systems are essential to all aspects of financial planning and control. Budget Department staff coordinates City employee travel, employee telecommunication approvals, and perform management audits of City operations as staffing levels permit.

MAJOR INITIATIVES FOR FY 2007-08

The Budget Department will realign staff functions in both the Budget Analysis Division and the Management Information and Systems Division to improve the efficiencies of budget development,

processing timely travel reimbursements for our city employees, as well as, telephone payments to our vendors.

Budget staff continues its more aggressive cost monitoring of the past few years. Budget Teams continue to hold regular meetings with each agency to control expenditures, process improvement studies, support attempts to maximize revenue, or reduce program costs.

Budget Department staff is also responsible for the processing of payments for the majority of Telecommunications expenses, coordinating employee travel for most City departments, and reconciling all employee travels. Budget Department staff also utilize Personnel and Payroll Systems (PPS) to manage the City's positions and to make changes based on Budget Amendments or the Redbook.

The Budget Department organizes the Annual Public Budget Meetings every fall, as part of a larger informational outreach program. Total direct costs of administering the program continue to be roughly \$5,000 for mailing and advertising. Total participation in 2007 increased over 2006, but is still below program averages and goals. In 2008, we hope to revive the public schools outreach component, and to increase the involvement of other city departments in the outreach.

The Budget Department continues to provide technical support to agencies through special organizational projects. Staff continues to support the creation of the General Services Department to ensure that the interagency transition is accomplished successfully. In addition, staff also continues to support Labor Relations with an

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an analysis for the Act 312 Arbitration process for Police and Fire.

Department staff periodically sits on RFP committee and for fleet parts inventory management. Budget staff are members of numerous interagency working groups: the Vehicle Management Steering Committee (which budget staff also support), and the Procurement Review Committee, the Risk Management Council and the Memorandum of Understanding (MOU) Committee for tree nursery operating partnership. Ongoing training seminars for City agencies are held annually: BRASS, budget request development, and vehicle planning sessions. Sixty-one (61) city staff participated in BRASS training in 2007.

PLANNING FOR THE FUTURE FOR FY 2008-09, FY 2009-10 and BEYOND

In 2008-09, we will work with the General Services Department to integrate its expertise into the capital planning process for 2008.

The Non-Departmental team will produce the Biennial Five-Year Capital Agenda, December 2008. This process documents the entities in the City with capital programs, the capital needs of City agencies, and proposes a capital plan relating to the City's General Obligation Bond program. The citizens of the City of Detroit will be asked to vote on authorizing the use of General Obligation Bond funds for various projects during the presidential primary election in August 2008.

The Budget Department is considering switching its Budget application from BRASS (Budget Reporting and Analysis Support System) to Oracle Public Sector Budgeting (PSB).

The advantage to switching to Oracle PSB is that it would allow the Budget Department to interface the data that will be stored in the Oracle HR module. This will assist the Budget Department in developing more accurate salary and fringe benefit projections.

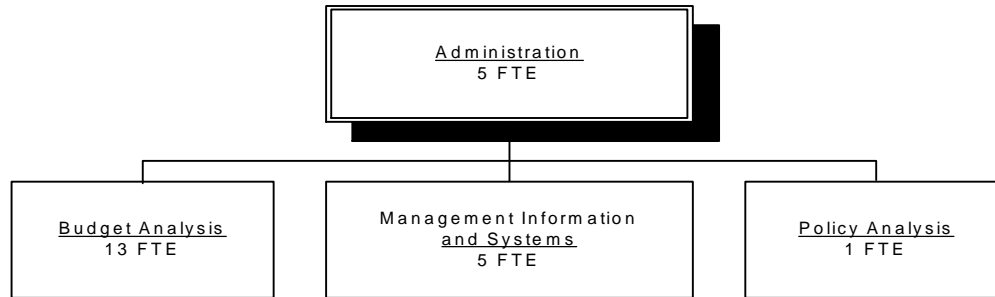
Another advantage is eliminating the need for manually importing and exporting of data between BRASS and Oracle (i.e. loading the Budget into Oracle and loading Actual into BRASS).

The Budget Department has received the Government Finance Officers Association (GFOA) Distinguished Budget Award for 11 consecutive years, and has a commitment to public sector standards for planning and reporting of financial information. Accordingly, we would like to redesign our Executive Budget, Adopted "Redbook" budget, and Five-Year Capital Agenda documents to make information more user-friendly. In coming years, we will add CD-ROM options to our document distribution. We are also developing standards for document archiving and retention.

The Budget Department is in the process of revising the current Travel Directive. The Budget Department will also begin to conduct regular training sessions to acquaint all Department Travel Coordinators with new policies and procedures.

The Budget Department continues to work to reduce the City's Telecommunication costs by careful review of invoices, filing disputes with vendor about erroneous charges and reducing the time between the receipt of the invoice and issuance of a check.

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PERFORMANCE MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2005-06 Actual	2006-07 Actual	2007-08 Projection	2008-09 Target
Inputs: Resources Allocated or Service Demands Made				
Personnel letters and requisitions evaluated and processed	1,330	1,500	1,330	1,330
Council and Finance Letters evaluated and processed	245	300	300	300
Personal Service Contracts reviewed, evaluated and processed	282	210	200	210
Team site visits to departments	50	100	100	100
Outputs: Units of Activity directed toward Goals				
Agencies attending Budget Request Seminar	32	32	32	32
Management Audit reports completed	5	6	6	6
Average number of days turnaround on Personal Service contracts	26.7	14.5	14.5	14
Average number of days turnaround on personnel letters	23.9	11.1	8	8
Average number of days turnaround on Finance/Council letters	28.4	11.9	11.9	11
Average number of days between travel request and approval	6.3	7	5	5
Outcomes: Results or Impacts of Program Activities				
Estimated General Fund surplus/deficit as % actual	99%	99%	99%	99%
Total citizen participation in the Citizen Budget Program	671	184	336	500
Department satisfaction ratings (1-5 scale)	3.99	3.99	3.99	5.00

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EXPENDITURES

	2006-07 Actual Expense	2007-08 Redbook	2008-09 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 1,375,845	\$ 1,522,178	\$ 1,561,005	\$ 38,827	3%
Employee Benefits	950,724	1,007,733	979,491	(28,242)	-3%
Prof/Contractual	-	5,000	5,000	-	0%
Operating Supplies	79,306	90,960	101,454	10,494	12%
Operating Services	182,625	197,097	191,082	(6,015)	-3%
Capital Equipment	-	8,786	-	(8,786)	100%
Fixed Charges	6,994	-	6,995	6,995	0%
Other Expenses	5,090	3,080	5,960	2,880	94%
TOTAL	\$ 2,600,584	\$ 2,834,834	\$ 2,850,987	\$ 16,153	1%
POSITIONS	23	23	24	1	4%